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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1968

No. [redacted] 123

AMERICAN FINISHING COMPANY,
Petitioner,

vs.

NATIONAL LABOR RELATIONS BOARD,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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INDEX

Opinions Below 1
Jurisdiction 2
Questions Presented 2
Statutory Provisions Involved 2
Statement of the Case 3
Reasons for Granting the Writ 10
Conclusion 15
Appendix A—Statutes Involved A1
Appendix B—Opinion Court of Appeals for the Sixth Circuit A4
Appendix C—Petition for Rehearing Denied A5

Cases Cited

Leland Gifford v. *NLRB*, 200 F. 2d 620 ..... 11, 12
Ohio Power Company v. *NLRB*, 176 F. 2d 385, (cert. den.) 338 U.S. 899 ..... 11, 12, 14
Universal Camera v. *NLRB*, 340 U.S. 488 15

Statutes Cited

National Labor Relations Act:

Secs. 2 (3), 2 (11) and 14 (a) A1, A3
Sec. 2 (11) 10, 11, 12, 13, 14
Sec. 10 (e) 15, A2
28 U.S.C. 1254 (1) 2
29 U.S.C., Sec. 141 2

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No. .....

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vs.

NATIONAL LABOR RELATIONS BOARD,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

American Finishing Company, Petitioner herein, prays that a Writ of Certiorari issue to review the judgment of the Court of Appeals for the Sixth Circuit entered in the above entitled cause, enforcing against Petitioner an Order of the National Labor Relations Board.

OPINIONS BELOW

The Opinion Below (App. B, p. A4, infra), is reported at ..... F. 2d ....., entered on March 4, 1968, Docket Number 17,568.

The Decision and Order of the National Labor Relations Board in the unfair labor practice case is reported at 159 NLRB 976; the Board's Decision in the Representation case, which forms part of the record here, appears at J. A. 193a[1]

JURISDICTION

The Court Below entered its Judgment on March 4, 1968 (App. B, p. A4, infra), and denied a Petition for Rehearing on April 3, 1968 (App. C, p. A5, infra). The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

QUESTIONS PRESENTED

1. Does the National Labor Relations Board have the power to determine that an employee is not a supervisor where the employee admittedly has been delegated supervisory authority, within the meaning of the Act, and where the employee admittedly has exercised such authority?

2. Is the unit, as determined by the Board, an appropriate unit under the Act?

3. Is the collective bargaining agreement, signed January 14, 1963, between American Finishing Company and Textile Workers Union of America, AFL-CIO (which is still in force and effect) a bar to the petition of Machine Printers and Engravers Association of the United States?

STATUTORY PROVISIONS INVOLVED

This case arises under the National Labor Relations Act, as amended (6 Stat. 136, 29 U.S.C., Sec. 141, et seq.), hereinafter called the "Act." The pertinent provisions of the Act involved are set forth in Appendix A, p. A1, infra.

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1. J. A. refers to the Joint Appendix filed by the Board and Petitioner in the Court of Appeals.

STATEMENT OF THE CASE

On March 29, 1965, Machine Printers and Engravers Association of the United States, hereinafter referred to as the "Union", filed a petition with the United States National Labor Relations Board. The unit as proposed by the Union includes "All journeymen machine printers and their apprentices in the printing department at the Employer's Memphis, Tennessee plant" and excluded "All other employees, watchmen, guards, and supervisors as defined in the Act". Petitioner did not then nor does it now employ journeymen machine printers or apprentices.

Upon the hearing of the petition and at every proceeding thereafter, Respondent contended (1) that all of the employees in the proposed unit were supervisors as defined in the Act, (2) that the proposed unit was inappropriate, and (3) an existing contract between Respondent and Textile Workers Union of America, AFL-CIO was a bar to the petition of the Union.

On January 15, 1963, an Agreement was signed and consummated by and between American Finishing Company and Textile Workers Union of America, AFL-CIO, which Agreement was effective as of the 15th day of January, 1963, and was to continue in full force and effect until the 15th day of January, 1965. Said Agreement was modified and extended on June 28, 1964, and is in effect (J. A. 34a). Said Agreement covers all employees of the Respondent, excluding watchmen, main office employees, plant secretaries, office workers, laboratory employees other than those classified as coating laboratory technicians, pump man, mixer, evaporator man, or dish washer, and excluding persons in executive positions with final authority to hire or discharge, and excluding all other supervisory employees with authority to hire, promote, discharge, dis-

cipline or otherwise effect changes in the status of employees or effectively recommend such action.

All of the employees in the proposed unit work in the printing department and are supervisors within the meaning of the Act. There are only 8 employees in the proposed unit and all of them are assistant foremen.

The printing department of the Petitioner is completely integrated with the other departments of the American Finishing Company and cannot be operated without the proper functioning of many other departments at the American Finishing Company (J. A. 42a, 43a, 51a, and 52a).

The Petitioner employs approximately 770 employees (J. A. 53a).

All of the other assistant foremen at the American Finishing Company are conceded by everyone to be supervisors within the meaning of the Act. All of the other assistant foremen and all of the assistant foremen in the printing department are paid on an hourly basis, receive the same hospitalization and life insurance benefits, use the same eating facilities, receive time and a half for work over 40 hours, receive the same vacations, receive no pay for holidays or sick leave (J. A. 65a, 66a, 67a), and all are working foremen (J. A. 68a). The eight employees sought to be represented are all designated assistant foremen, regardless of their experience in the printing department. These eight employees have the same supervisory authority and duties as the other assistant foremen at American Finishing Company.

For many years Petitioner has distributed every six months to the assistant foremen at the Company, including the assistant foremen in the printing department (J.

A. 38a, 39a, Employer's Exhibit No. 2, J. A. 171a), a written memorandum entitled "Assistant Foremen's Right to Hire and Fire".

The Record shows that as a result of the necessity of using untrained personnel, of the Petitioner's policy of employing unskilled employees, and for other reasons, the Petitioner has set up a personnel organization which provides for a great number of supervisors throughout its plant, resulting in a high supervisory ratio (J. A. 36a, 37a, and 39a). The Record shows that Petitioner has 134 supervisors out of a total of 770 employees (J. A. 53a). The whole plant has been set up on this type of organization for many years and all foremen and assistant foremen have been excluded from the contract with the Textile Workers Union of America, AFL-CIO, because they were supervisors (J. A. 39a). The printing department of the Company was set up and still is set up on the same organizational basis as all of the other departments at the plant of Respondent.

American Finishing Company's plant is located many miles from the textile area. It is in an area where there is a scarcity of experienced people to do the jobs at American Finishing Company. Petitioner, in the exercise of its *managerial discretion*, organized its plant and operation different from that of the companies which operate in the textile districts. Petitioner does not generally discipline employees, whether in the supervisory group or in the bargaining group of the TWUA, by laying them off, fining them, or cutting their wages, or docking them. Petitioner reprimands them and tries to instruct them as to what to do to avoid making the same mistakes again, and to rely on the fact that it has a much larger supervisory group than the normal finishing plant. Petitioner counts

on its superintendents, foremen, and assistant foremen to get the job done with the people they have to do it with, or to let them go and to get other people. Petitioner counts on its supervisors, and as a matter of policy, does not have the normal docking, fining and lay-off system that prevails to a large extent elsewhere in this industry (J. A. 151a and 152a).

Frank Fry, Superintendent of Petitioner's printing department, testified that the assistant foremen have the power, and have exercised it, to discipline and reprimand the backhelp or the inspectors (J. A. 93a). He testified the assistant foremen maintain order in their work area and they are the boss, and are solely responsible for their machine and their back-tenders and inspectors (J. A. 70a). He testified applicants have been employed solely on the recommendation of the assistant foremen, and employees have been terminated solely by assistant foremen without consulting anyone (J. A. 92a). He testified the assistant foremen have the power and authority and it is one of their duties to transfer backhelp from one machine to another (J. A. 93a); when an infraction of a rule occurs, the assistant foreman can recommend disciplinary action or take direct action on their own (J. A. 96a); that if the backhelp want time off, the assistant foremen have the authority to grant it (J. A. 95a). Fry's testimony was uncontradicted and unimpeached and no contradictory evidence was introduced. In 1960 (Employer's Exhibit No. 7, J. A. 183a) and again in 1961 (Employer's Exhibit No. 5, J. A. 181a) grievances were filed against some of these eight assistant foremen on the basis they were supervisors performing production work. Also, until very recently these eight assistant foremen were the first step in the grievance procedure set up in the TWUA contract with full authority to adjust grievances on behalf of the Petitioner.

In the contract negotiations, Textile Workers Union of America, AFL-CIO, stated and agreed that the assistant foremen in charge of the printing machines were supervisors and were excluded from the contract (J. A. 42a and 49a). These foremen were required to get out of the Textile Workers Union of America, AFL-CIO (J. A. 40a, 56a and 58a) immediately upon becoming such foremen. See Employer's Exhibit 3(a), (b), (c), (d) and (e) (J. A. 176a). No one contradicted this evidence.

William Huffstatler testified that when he was President of Textile Workers Union of America, AFL-CIO, Local 643, in 1959 and 1960, the Union during the contract negotiations negotiated for everybody covered under the bargaining agreement except the ones excluded, and the Union excluded assistant foremen in the printing department because they were supervisors, and the Union has not changed its position on that point (J. A. 55a and 66a). This was uncontradicted and unimpeached.

Mr. Huffstatler testified that during a strike by the Textile Workers Union of America, AFL-CIO, at American Finishing Company in July, 1959, the Union pickets allowed the assistant foremen in the printing departments to cross the picket lines because they were supervisors (J. A. 55a). He named six men, who were assistant foremen in the printing department in 1959, and who are still such assistant foremen, who were allowed to cross the picket line in July, 1959, as supervisors (J. A. 55a and 56a). None of the six nor anyone else contradicted this evidence.

Eric Lindberg, the President of the Union, on direct examination, testified at great length of his great knowledge and experience in the textile printing industry. On cross-examination, Mr. Lindberg testified that he did not know

whether there would have to be some foreman somewhere in the plant over the inspector. In answer to the question, "do the inspectors need a supervisor over them?", he answered, "I don't know that. That is the prerogative of management to decide that. Who needs to be the inspector (sic supervisor) over the inspector, I don't know that" (J. A. 119a). On the same page he said he did not know who has to be the supervisor over the inspector and answered that it is the prerogative of management. He also testified: "The company has a right to do what they elect to do" (J. A. 119a). He testified that management has the right to make printers supervisors and give them supervisory duties (J. A. 120a). He testified *he had never been in the American Finishing Company* (J. A. 115a), and *"I don't know anything about their plant"* (J. A. 120a). Mr. Lindberg testified he had never heard of an *inexperienced* man or one with *no training* in the operation of a printing machine or department *being placed in charge of a printing machine as is the case at American Finishing Company* (J. A. 119a).

Mr. Lindberg testified that in 1948 or 1949 his Union petitioned for an election at American Finishing Company and the Board directed an election, which the Union won, and American Finishing Company refused to bargain with the Union; he testified that the Petitioner was then represented by Mr. Lawrence Hogan, an attorney who is now retired. He testified that he consulted with Mr. Hogan and with Mr. Warren Woods, attorney, regarding whether or not refusal to bargain charges should be filed, and Mr. Hogan's advice was not to file charges for refusal to bargain because of the *Ohio Power Company* case (J. A. 112a). The Ohio Power Company case is cited as *Ohio Power Company* v. *NLRB*, 176 F. 2d 385 (6th Circuit Court of Appeals—cert. denied).

The proposed unit would include only eight employees out of a total of approximately 770 employees of Petitioner.

The printing department of Petitioner is completely integrated with the remainder of Petitioner's plant, and the printing department cannot operate by itself (J. A. 42a, 43a, 51a, and 52a).

Petitioner has set up its operation different from that in the textile districts (J. A. 152a).

Petitioner has no apprentice program. Petitioner has no journeyman and apprentice set-up. The duties, responsibilities, authority, and rights of the assistant foremen in the printing department of Petitioner are the same whether they have worked one year or seven years (J. A. 75a, and 76a) and are derived from management and not from the nature of their employment.

Mr. Eric Lindberg, the President of the Union, testified that the foremen in every print works where the Union has a contract is a member of the Union. In response to a question by the Hearing Officer, Mr. Lindberg testified that the foreman is legally not covered by the contract, but technically is covered by the contract which the Union has with all of the various employers (J. A. 116a and 117a). A reading of Union's Exhibit 3 (J. A. 186a), which is the agreement with all of the companies where the Union has contracts, definitely discloses that the agreement covers journeymen, apprentices, foremen and assistant foremen, all of whom comprise the appropriate unit. Certainly under the Act a unit which includes journeymen who Mr. Lindberg concedes to be supervisors and apprentices, foremen and assistant foremen is an inappropriate one.

Under the contract with Textile Workers Union of America, AFL-CIO, the bargaining unit is all employees of Petitioner at its plant in Memphis, Tennessee, excluding watchmen, main office employees, plant secretaries, office workers, laboratory employees other than those classified as coating laboratory technicians, pump man, evaporator man, or dishwasher, and excluding persons in executive positions with final authority to hire or discharge, and excluding also all other supervisory employees with authority to hire, promote, discharge, discipline or otherwise effect changes in the status of employees or effectively recommend such action. Employer's Exhibit No. 1 (J. A. 166a). The contract covers the Printing Department, which was designated N Department (J. A. 167a), and therefore if these eight assistant foremen are found not to be supervisors within the meaning of the Act, then they are covered by the Textile Workers Union of America contract.

REASONS FOR GRANTING THE WRIT

The Court below adopted and approved the Board's concept that inasmuch as machine printers in the balance of the industry are not supervisors, the printers at the Petitioner's plant cannot and are not supervisors. The Court below approved the Board's disregard of supervisory authority of the nature specified in Section 2(11) of the Act which was shown without dispute to have been in fact delegated and in fact exercised.

Moreover, the Decision of the Court below affirming the Board's concept that supervisory authority of the nature specified in Section 2(11) of the Act, when not exercised by the employee to whom it was admittedly delegated and who actually exercised same, with sufficient

frequency to satisfy the Board, constitutes an additional requirement not embodied in the statutory definition of "supervisor" in Section 2(11) of the Act, as amended. The Decision of the Court Below is in direct conflict with its own decision in *Ohio Power Company* v. *NLRB,* 176 F. 2d 385 (cert. denied) 338 U.S. 879; and the Decision of the Court of Appeals for the First Circuit in *Leland Gifford* v. *NLRB,* 200 F. 2d 620. The *Ohio Power Company* case and the *Leland Gifford* case clearly held that the *existence* of supervisory authority *rather than its exercise* is controlling in determining whether an employee is a supervisor within the meaning of the Act. The Court of Appeals for the Sixth Circuit held in *Ohio Power Company* v. *NLRB,* 176 F. 2d 385, 387, 388, as follows:

> "The Board also erred as a matter of law in considering the test of the performance of supervisory duties to be the frequency of their exercise. It said in its amended decision: 'Assuming, arguendo, that the control operator does perform "supervisor" duties in major and minor emergencies, such as described hereinabove, in the Respondent's offer of proof, this sporadic and infrequent exercise of authority is insufficient to invest him with the "supervisory cloak contemplated in the amended Act."' . . ."
>
> "Section 2(11) covers any individual 'having authority . . . responsibly to direct . . .'. It does not require the exercise of the power described for all or any definite part of the employee's time. It is the existence of the power which determines the classification. That power responsibly to direct exists here is uncontradicted . . ."

To like effect, the Court of Appeals for the First Circuit held in *NLRB* v. *Leland Gifford Co.,* supra:

> ". . . We think the statute *does mean* that once an individual has actually been clothed with genuine

> power to perform a supervisory function, he thereupon becomes a 'supervisor', even before an opportunity arrives to exercise his power, and even though he may not often find it necessary to exert the power conferred. That is to say, one clothed with real power to discipline other employees, for instance, would be ipso facto a 'supervisor', even though in a particular instance months, or perhaps in rare cases even years, might pass before any occasion ever arose calling for an exercise of the power. And we think the same principle must apply with respect to the other powers enumerated in the section, including the power 'responsibly to direct' other employees. . . . The evidence is that those who retained other men in their respective departments were expected to and did supervise those men, even though supervision did not take much of their time, with the result that most of their time was spent in routine production work. . ."

The Court below in the instant case has disregarded the *Ohio Power Company* and *Leland Gifford* cases.

It will be noted in the instant matter that, after discussing the nature of the various duties performed by Petitioner's assistant foremen, and after pointing out that a great number of them were, in the Board's opinion, duties customarily exercised by more skilled employees over less skilled employees, and without disputing the fact of the delegation of managerial and supervisory authority and the express notification to the assistant supervisor and their subordinates of the fact that such delegation had been made, the Board while ignoring the fact that the subject machine printers were unskilled averted to its "frequency of exercise" theory and its "not generally done in the industry" theory, as the ultimate basis for determining whether or not any of the tests for "supervisor" status set out in Section 2(11) had been met.

It is uncontradicted in the Record that the Petitioner actually delegated supervisory authority, informed and instructed each of its assistant foremen and their subordinates that the assistant foremen had the responsibility to exercise duties and authority (which admittedly constitutes supervisory authority) and that it reiterated these instructions during the fourteen or more years prior to the 1965 Representation Petition and for the several years thereafter.

The authority thus delegated to the assistant foremen was derived from Petitioner, which had an absolute right to delegate portions of its managerial and supervisory authority and vest such authority in its assistant foremen; and by such delegation and vesting of such authority made the assistant foremen "supervisors" within the statutory definition prescribed by Congress in Sec. 2(11) of the Act, as amended.

The Court below affirmed the Board's action in refusing to honor the unimpeached evidence as to the delegation of authority, as well as the Board's refusal to give weight to other undisputed testimony, which it acknowledged was in the Record, that the delegated supervisory authority and responsibility had in fact been exercised by all of the Petitioner's assistant foremen. Moreover, the Court below enforced the Board's Order which, for all practical purposes, makes any determination by Petitioner as to the feasibility and desirability of delegating certain supervisory authority to its printers, be they skilled or unskilled, *subject to the Board's ultimate determination of whether or not, in the Board's judgment, such delegation is a feasible or practical way for the Petitioner to operate its business.* The Decision thus makes it impossible for an Employer to assign supervisory duties and responsibilities.

The substance of the Board's finding is that since the men did not frequently *exercise* the supervisory authority granted to them, and since the remainder of the industry did not and does not follow such procedure, they could not be supervisors. This is in complete contravention and circumvention of the law as set out in the *Ohio Power Company* case (supra) which is the leading case on this subject.

For the reason that the Board has thus continued to circumvent the clear mandate and provision of the Act in connection with the determination of supervisory status, it is submitted that this Court should accept this case, and grant the Writ and decree the proper scope and application of Section 2(11) of the Act. This Court has not previously reviewed a case involving the interpretation of Section 2(11) of the Act in this regard, although it has denied certiorari in a number of cases, including the Decision of the Sixth Circuit in *Ohio Power Company* v. *NLRB,* supra, which involved the actual point here involved, and there the Sixth Circuit expressly and specifically rejected the theory upon which the Board and the Court below here have predicated the Decision in the instant matter.

The Court below determined that the Board's Order was supported by "substantial evidence in the Record considered as a whole." Such a determination, we submit, should not be allowed to stand in an instance where the Record itself proves there was no such supporting evidence. It is well to note that the Board in its Decision and Direction of Election *in this case never made a specific finding that supervisory authority within the meaning of the Act did not exist.* The Board's decision is based on the practice of the *industry in general, which admit-*

tedly is not followed at American Finishing Company. Such evidence is not substantial evidence to support the Board's findings. There is no substantial evidence to support the Board's findings and such findings are not binding unless they are supported by substantial evidence in the Record considered as a whole (Sec. 10(e) of the Act, 29 USC (160) (e)) (*Universal Camera* v. *NLRB*, 340 U.S. 488).

CONCLUSION

For the reasons stated, it is respectfully submitted that this Petition for Certiorari should be granted.

AMERICAN FINISHING COMPANY
By HERBERT GLAZER
Of Counsel

APPENDIX A

Statutes Involved

(1) Section 2, sub-sections (3) and (11) of the Labor Management Relations Act of 1947, 29 U.S.C. 152 (3) and (11); 61 Stat. 137.

"Definitions

"Sec. 2. When used in this Act—

"(3) The term 'employee' shall include any employee, and shall not be limited to the employees of a particular employer, unless the Act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regular and substantially equivalent employment, but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse, or any individual having the status of an independent contractor, or any individual employed as a supervisor, or any individual employed by an employer subject to the Railway Labor Act, as amended from time to time, or by any other person who is not an employer as herein defined.

"(11) The term 'supervisor' means any individual having authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment."

(2) Section 10, sub-section (e) of the Labor Management Relations Act of 1947, 29 U.S.C. 160 (e); 61 Stat. 146.

"(e) The Board shall have power to petition any circuit court of appeals of the United States (including the United States Court of Appeals for the District of Columbia), or if all the circuit courts of appeals to which application may be made are in vacation, any district court of the United States (including the District Court of the United States for the District of Columbia), within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court a transcript of the entire record in the proceedings, including the pleadings and testimony upon which such order was entered and the findings and order of the Board. Upon such filing, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board, its member, agent, or agency, shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material

and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, its members, agent, or agency, the court may order such additional evidence to be taken before the Board, its members, agent, or agency, and to be made a part of the transcript. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which findings with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive, and shall file its recommendations, if any, for the modification or setting aside of its original order. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., Title 28, secs. 346 and 347)."

(3) Section 14 (a) of the Labor Management Relations Act of 1947, 29 U.S.C. 164 (a); 61 Stat. 151.

"Sec. 14. (a) Nothing herein shall prohibit any individual employed as a supervisor from becoming or remaining a member of a labor organization, but no employer subject to this Act shall be compelled to deem individuals defined herein as supervisors as employees for the purpose of any law, either national or local, relating to collective bargaining."

APPENDIX B

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

NATIONAL LABOR RELATIONS BOARD,
Petitioner,

v.

AMERICAN FINISHING COMPANY,
Respondent,

MACHINE PRINTERS & ENGRAVERS, ASSN.,
Intervenor.

Order

BEFORE PHILLIPS, EDWARDS and McCREE, Circuit Judges.

The Board has filed a petition for the enforcement of its decision and order reported at 159 N.L.R.B. 976.

The Court holds that the findings of fact of the Board are supported by substantial evidence on the record considered as a whole.

It is ORDERED that the order of the Board be and hereby is enforced.

ENTERED BY ORDER OF THE COURT:
CARL W. REUSS
CLERK

Filed March 4, 1968. CARL W. REUSS, CLERK.

APPENDIX C

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

NATIONAL LABOR RELATIONS BOARD,
Petitioner,

v.

AMERICAN FINISHING COMPANY,
Respondent.

Order

Before PHILLIPS, EDWARDS and McCREE, Circuit Judges.

Upon consideration, it is ORDERED that the petition for rehearing be and hereby is denied.

ENTERED BY ORDER OF THE COURT:
CARL W. REUSS
CLERK

Filed April 3, 1968. CARL W. REUSS, CLERK.

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In the Supreme Court of the United States

OCTOBER TERM, 1968

AMERICAN FINISHING COMPANY, PETITIONER,

v.

NATIONAL LABOR RELATIONS BOARD

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

BRIEF FOR THE NATIONAL LABOR RELATIONS BOARD IN OPPOSITION

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In the Supreme Court of the United States

OCTOBER TERM, 1967

No. 1461

AMERICAN FINISHING COMPANY, PETITIONER

v.

NATIONAL LABOR RELATIONS BOARD

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

BRIEF FOR THE NATIONAL LABOR RELATIONS BOARD IN OPPOSITION

OPINIONS BELOW

The court of appeals rendered no opinion; its order enforcing the Board's order (Pet. App. A4) is reported at 389 F. 2d 1004. The Board's Decision and Order (J.A. 3a-19a)[1] are reported at 159 NLRB 976. The Board's decision in the underlying representation case (J.A. 193a-200a) is unreported.

[1] "J.A." refers to the joint appendix in the court below, a copy of which has been filed in this Court.

JURISDICTION

The order of the court of appeals was entered on March 4, 1968 (Pet. App. A4), and a petition for rehearing was denied on April 3, 1968 (Pet. App. A5). The petition for a writ of certiorari was filed on May 23, 1968. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

QUESTION PRESENTED

Whether, on the facts of this case, the Board properly concluded that the employer's machine printers are not supervisors within the meaning of the National Labor Relations Act.[2]

STATUTE INVOLVED

The relevant provisions of the National Labor Relations Act, as amended (61 Stat. 136, 73 Stat. 519, 29 U.S.C. 151, *et seq.*), are set forth at Pet. App. A1-A3.

STATEMENT

The Board found that petitioner Company violated Section 8(a)(5) and (1) of the Act by refusing to bargain with the Machine Printers and Engravers Association of the United States, which had been certified as the representative of the Company's journeymen and apprentice machine printers. The basic issue is whether the Company's refusal was justified on

[2] Petitioner does not argue the other questions presented (Pet. 2).

the ground that the machine printers are supervisors within the meaning of Section 2(11) of the Act and thus excluded from its coverage. The facts relevant to this issue are as follows:

Petitioner is engaged in bleaching, dyeing, finishing, printing, sanforizing, and performing other related processes on cotton textiles at its plant in Memphis, Tennessee. The plant employs between 800 and 900 employees. The printing department is under the supervision of the superintendent of printing, and has six regular and two spare machine printers. The department operates three 8-hour shifts, 5 days a week. The shift consists of a shift foreman and 14 other employees, including two machine printers designated as "assistant foremen," each of whom has three employees working under him[3] (J.A. 194a, n. 3, 21a, 29a).

The machine printers operate the four printing machines in the department (J.A. 37a, 69a). They set up the machines for production—installing and adjusting the printing rollers, color pans, and other components—and make necessary adjustments to remedy minor defects which develop while the machines are in operation (J.A. 78a-81a). More serious problems are referred to the shift foreman, who oversees all activities in the printing department and is admittedly a supervisor under the Act (J.A. 77a). If it becomes necessary for the printer to leave the machine while it is in operation, the shift foreman takes

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[3] The Board based its findings on the record of this case and on prior decisions of the Board involving the same plant (J.A. 194a, n. 3).

his place (J.A. 83a). The printer is assisted in operating the machine by a "back-tender," who helps prepare the machine for production, keeps the color pans filled, and makes adjustments as directed; and by an "inspector," who inspects the printed cloth and submits samples to the printer upon request (J.A. 70a, 77a, 89a-90a).

In 1948, when the Union first sought to represent the machine printers, the Company distributed to all assistant foremen a memorandum entitled "Assistant Foreman's Right to Hire and Fire" (J.A. 26a, 37a-39a). The memorandum advised such employees that they have, *inter alia*, the authority to hire and fire the rank-and-file employees under them; to recommend effectively hiring, transfers, promotions, layoffs, and discharges; to initiate and carry out any necessary reprimands or other disciplinary action; to handle grievances; to plan and assign work to the employees under them; and to grant time off (J.A. 171a-175a). In fact, however, the printers' disciplinary activities were limited to reprimanding their helpers for mistakes or minor misconduct, and—except in one instance—there was no evidence that any printer had ever carried out, or effectively recommended, the suspension, discharge, or other serious discipline of any helper (J.A. 136a-138a, 142a, 145a, 147a).[4] The printers rarely recommended their helpers for promotions or raises, and, when they did, their recommendations had often been ignored (J.A. 129a,

[4] On one occasion, a helper had been discharged after one of the machine printers complained to the shift foreman that he was not doing his work (J.A. 124a).

132a, 140a). No printer had ever blocked a raise (J.A. 94a), processed a grievance (J.A. 131a, 141a, 148a-149a), or been asked to grant time off (J.A. 129a, 135a, 147a).[5]

The printers, like the back-tenders and inspectors, punch a time clock and receive an hourly wage (J.A. 63a); get paid time and a half for overtime (J.A. 66a); receive no pay for time off because of illness (J.A. 66a); and enjoy the same vacation benefits as rank-and-file employees (J.A. 66a-67a). In contrast, shift foremen are salaried (J.A. 64a); receive no pay for overtime (J.A. 66a); enjoy longer vacations after a shorter period of service (J.A. 67a); and after seven years service receive considerably higher pay than journeymen machine printers (J.A. 63a; Tr. 130-131).

Finally, the Board found that, if the machine printers are supervisors, the ratio of supervisory to non-supervisory employees in the printing department would be one to three, in contrast to a one-to-seven ratio in the other plant departments (J.A. 27a).

On the basis of these facts, the Board concluded that "the supervision exercised by the [machine printers] over the 'backhelp' is that normally exercised by a skilled craftsman over his helper and not that of a supervisor over an employee," and that the machine printers were not supervisors within the meaning of Section 2(11) of the Act (J.A. 28a-29a, 194a, n. 3). The Board, finding further that the machine printers were "an identifiable, skilled, and homogeneous craft

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[5] Printers Brown and Roberts did not believe they had authority to grant such a request (J.A. 131a, 139a).

* * * group and constitute a unit appropriate for * * * collective bargaining" (J.A. 194a, n. 3), and that they were not covered by the Company's outstanding contract with another union (J.A. 193a, n. 2), directed an election among them (J.A. 195a-196a). The Union won the election and was certified (J.A. 196a-200a), but the Company refused to bargain with it (J.A. 3a, 9a-11a). In subsequent unfair labor practice proceedings, the Board held that the Company's refusal to honor the certification violated Section 8(a)(5) and (1) of the Act, and ordered the Company to bargain with the Union, upon request (J.A. 3a-19a). The court of appeals, in a *per curiam* order, held that the Board's findings were "supported by substantial evidence on the record considered as a whole," and enforced its order (Pet. App. A4).

ARGUMENT

Section 2(11) of the Act defines a "supervisor," whom Section 2(3) excludes from the Act's coverage, as:

> any individual having authority * * * to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

The determination whether an individual is a "supervisor" involves the application of these criteria to the

facts of the particular case, and the Board's ruling must be upheld if it is supported by substantial evidence. *National Labor Relations Board* v. *American Oil Company*, 387 F. 2d 786 (C.A. 7), certiorari denied, May 6, 1968 (No. 1288, this Term); *National Labor Relations Board* v. *Southern Bleachery & Print Works, Inc.*, 257 F. 2d 235 (C.A. 4), certiorari denied, 359 U.S. 911; cf. *National Labor Relations Board* v. *United Insurance Co.*, Nos. 178 and 179, this Term, decided March 6, 1968. The Board correctly applied those criteria here, and the facts summarized in the Statement (*supra*, pp. 3-5) support its conclusion, sustained by the court below, that the Company's machine printers do not possess the authority and judgment required to make them supervisors within the meaning of Section 2(11).[6] There is no occasion for further review of this factual issue.

Contrary to the Company's contention (Pet. 11-12), the Board did not ignore the settled principle that it is the possession rather than the exercise of the powers enumerated in Section 2(11) which determines supervisory status. The Board found that, although the Company's memorandum purported to give

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[6] Petitioner stresses (Pet. 5, 10) that all persons whom it has designated as assistant foremen, including the eight machine printers here involved, are not covered by its collective bargaining agreement with the Textile Workers Union. But the fact that the latter union apparently views the printers as supervisors does not undermine the Board's finding, based on the detailed facts in the record, that in fact they do not have that status. The record does not support petitioner's assertion (Pet. 4) that the printers "have the same supervisory authority and duties as the other assistant foremen * * *."

the machine printers such powers (*supra*, p. 4), they did not in fact possess them. In making this determination, the Board properly considered that there was no showing that the machine printers had ever performed certain functions. While the nonexercise of a power otherwise shown to exist may not be sufficient to negate supervisory status, the non-performance of a function is a relevant factor in determining whether power to exercise it actually exists.[7]

Nor is there substance to the Company's contention (Pet. 14-15) that the Board's decision was based on the practice of the industry generally, rather than that of the Company itself. The Board, although recognizing that "the [Company was] under no obligation to operate [its] business in accordance with the prevailing industry practice," merely noted that "[m]achine printers in the textile printing industry [were] not normally vested with the powers of a supervisor" (J.A. 27a).

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[7] The cases relied upon by the Company (Pet. 11-12) are distinguishable on their facts. In *Ohio Power Co.* v. *National Labor Relations Board*, 176 F. 2d 385 (C.A. 6), certiorari denied, 338 U.S. 899, the court found that the control operator, with some minor exceptions, "handles the entire operation of the plant" (p. 387), had "authority in time of emergency to requisition any men on the spot," and had "on various occasions used this authority" (p. 388). In *National Labor Relations Board* v. *LeLand-Gifford Co.*, 200 F. 2d 620 (C.A. 1), the court found that, of the 13 individuals found by the Board to have lost their supervisory status after a change in the employer's operation, at least 3 had in fact "retained one or more men under their supervision, control and direction" (p. 626). As shown *supra*, the machine printers here do not exercise the power they purportedly have.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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